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SENATE

REPORT
99-4

AFRICAN FAMINE RELIEF AND RECOVERY ACT OF 1985

FEBRUARY 23 (legislative day, FEBRUARY 18), 1985.—Ordered to be printed

Mr. LUGAR, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 457]

The Committee on Foreign Relations, to which was referred the bill (S. 457) to authorize the President to furnish assistance to alleviate the human suffering in sub-Saharan Africa, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The Committee on Foreign Relations, to which was referred the bill (S. 457) to authorize the President to furnish assistance to alleviate the human suffering in sub-Saharan Africa, having considered the same, reports an original committee bill in the form of a substitute and reports favorably thereon.

PURPOSE OF THE BILL

The purpose of S. 457 is to authorize a supplemental appropriation of $175 million in fiscal year 1985 for emergency assistance to drought-stricken countries in Africa that are plagued by food shortages and famine.

MAJOR PROVISIONS

Of the total authorization of $175 million, $137.5 million is disaster assistance for relief, rehabilitation and recovery in Africa, and $37.5 million is migration and refugee assistance for refugees and other displaced persons in the afflicted African countries.

The bill provides that the funds appropriated for disaster assistance are to be granted "to the maximum extent practicable" to private and voluntary organizations and to international organiza-

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tions. Up to 18 percent of these funds are to be used for emergency health projects including vaccinations.

Of the funds appropriated for migration and refugee assistance, up to 54 percent may be made available to the United Nations Development Program Trust Fund for refugee projects proposed at the second International Conference on Assistance to Refugees in Africa [ICARA II]. The remainder shall be used by the Department of State's Refugee Bureau for emergency relief and recovery in Africa.

The bill also directs the Secretary of Defense to furnish appropriate assistance including sea and air transport, medical and health services, and military equipment, personnel, and supplies as requested by the Department of State or the Agency for International Development [AID] to carry out the provisions of disaster assistance and migration and refugee assistance.

The bill requires the President to report to Congress on the uses of these funds by the end of the fiscal year 1985.

COMMITTEE ACTION

The committee held a hearing on famine in Africa on January 17, 1985. The following witnesses testified: Senator John Danforth of Missouri; the Honorable M. Peter McPherson, administrator, agency for International Development; the Honorable Chester A. Crocker, Assistant Secretary for African Affairs, Department of State; the Honorable Daniel G. Amstuts, Under Secretary of Agriculture; Dr. Philip Johnston, executive director, CARE; the Honorable Robert McCloskey, senior Vice President, Catholic Relief Services, and Dr. Cory SerVaas, editor and publisher, Saturday Evening Post.

Senator Lugar introduced S. 457 on February 19, 1985, at the request of the administration. The committee met to consider this bill on February 21, 1985. At that time, Senator Lugar offered an amendment in the form of a substitute on behalf of himself and Senators Sarbanes and Boschwitz. Senator Boschwitz offered an amendment to the substitute that would direct the Department of Defense to furnish appropriate assistance for the African relief and recovery effort as requested by the Department of State. The amendment was adopted without opposition. The committee also adopted without opposition an amendment offered by Senator Mathias that would expand the Presidential report requirement to include any assistance furnished by the Department of Defense. The committee then adopted and reported favorably an original committee bill, as amended, in the form of a substitute to S. 457 by a vote of 13 to 0 with one voting present. Those voting "aye" were Senators Mathias, Boschwitz, Pressler, Murkowski, Hawkins, Pell, Biden, Glenn, Sarbanes, Zorinsky, Cranston, Dodd, and Lugar. Senator Kassebaum voted "present."

Background

After two decades of declining per capita food production and 3 years of drought, Africa is currently faced with a major food crisis. Drought and civil war have afflicted almost half the countries on the continent. Estimates from international relief agencies, private

voluntary agencies and U.S. Government sources indicate that as many as 150 million Africans are affected by the drought, with an estimated 10 million facing actual starvation.

Although there have been widely varying assessments of the unmet food needs on the continent, all sources agree that the situation is steadily worsening.

Response to the crisis has been worldwide and the United States has been in the forefront of the effort. The United States has reponded generously to the African need and has been a major catalyst in launching a massive, worldwide relief effort. In fiscal years 1983 and 1984, the United States has provided 663,000 metric tons of emergency food at a cost of $227 million. For this fiscal year to date we have already provided 1.117 million metric tons costing $425.5 million.

In addition, millions of individual Americans have generously responded to the plight of those affected by the famine by donating an estimated $100 million to appeals from private relief organizations.

But in spite of this response, hundreds of thousands have died and millions remain at risk. To address the crisis, the administration pledged in January that the United States will try to provide half of Africa's unmet food needs. On February 5 the administration submitted to Congress a fiscal year 1985 supplemental appropriations request for $235 million to meet that pledge.

COMMITTEE COMMENTS

Level of unmet need

In the discussion of emergency assistance a wide range of estimates has been made of unmet food needs in the famine area. There has also been a correspondingly wide range of estimates as to the total dollar costs required to deliver the required Public Law 480 tonnage. Some earlier proposals included provisions authorizing additional development assistance funding to provide inland transportation of Public Law 480 commodities, provisions which significantly affected overall funding requirements. The committee bill relies on section 305 of Public Law 98-473 (continuing resolution for fiscal year 1985) which allows financing of inland transportation under Public Law 480 title II in emergency circumstances.

Estimates of total food need for Africa range from 3.2 million mt to 7.2 million mt. Estimates of unmet food needs range from 3 million metric tons to 5.2 million metric tons. Estimates for nonfood assistance provided to the committee from various sources indicate possible needs ranging up to nearly $200 million. Although the committee is aware of the pending food assistance measures, the focus of this legislation is only upon the nonfood assistance which lies within the jurisdiction of the committee.

It has been equally difficult to make precise estimates as to adequate levels of funding to address the wide range of nonfood assistance needed to truly meet the needs of the famine victims. Information is available to the committee citing a huge portfolio of pending requests for nonfood assistance from relief agencies totaling almost $200 million. Given the worsening situation in Africa, it

is reasonable to expect that these requests will continue to mount as the dimensions of the problem become clear.

In approaching the issue of adequate nonfood assistance to the drought area, the committee is frankly concerned that the administration request is based on earlier assessments which, though valid at the time, have since been overtaken by the rapidly intensifying crisis in Africa. The $175 million, authorized by S. 457, represents the committee's best judgment at this time as to the level of funding essential to meet immediate nonfood needs for the remainder of this fiscal year.

Need to address long term development

This supplemental assistance is provided to meet the emergency need in sub-Saharan Africa. In providing this assistance, however, the committee is cognizant of the need for a thorough examination of longer range developmental efforts for Africa.

Such a review of the long-range developmental needs in Africa must necessarily include a comprehensive review of the past decade's experience. For example, in the past 6 years official development assistance [ODA] to sub-Saharan Africa has exceeded $50 billion; per capita ODA for sub-Saharan Africa is $19.68 (compared to $6 for Latin America) and is the highest per capita ODA of any developing region of the world. In 1982 ODA from all sources represented 5.8 percent of sub-Saharan GNP. It is necessary to ask why these very sizeable aid flows have been by and large ineffective.

Host countries together with the United States, and other major aid donors, must mount a long-term effort in Africa to revitalize agriculture, to help diversify export markets, to broaden sources of foreign exchange, to help revamp economic policies to encourage those sectors of the economy that are productive, and to ensure the construction and the maintenance of the infrastructure necessary to sustain a modern, functioning society. Clearly, such an ambitious development scheme will require a multilateral commitment by the United States and the other major donors to better attract additional aid resources and to better focus where such resources can best be invested in sub-Saharan Africa.

In approving this supplemental aid, therefore, the committee reaffirms its commitment to badly needed humanitarian aid, while also asserting its firm belief that the long-term development of the sub-Saharan Continent will require new thinking about how to promote successful development in the African context. The committee intends to pursue these issues with great care when it reviews and marks up the administration's fiscal year 1986 foreign assistance request for Africa later this year.

The role of private voluntary organizations [PVO's]

Recognizing the need for flexibility in responding to this crisis the committee did not adopt a specific earmark for the PVO's during its consideration of S. 457. Instead the committee directs the President to employ the services of PVO's "to the maximum extent practicable." In adopting this statutory language the committee intends, and administration witnesses before the committee confirmed, that the PVO's will receive the bulk of the funds and commodities provided in this legislation.

An administration witness testified before the committee, during its markup of this legislation, that the PVO's were the "sine qua non" for an effective U.S. response to the unfolding tragedy in Africa. The PVO's are the major delivery vehicle for distributing food and nonfood aid resources to the people most in need in the affected areas. Organizations such as Catholic Relief Services, CARE, Church World Services, World Vision, Save the Children, and other dedicated private organizations have performed yeoman services for the tens of thousands of people living in temporary shelters, and for those seeking emergency medical care.

The committee notes that the American people have generously given their own private resources—reaching perhaps as much as $100 million—to the PVO's for African famine relief. Because the committee shares this confidence in the PVO's expressed by the American people it firmly supports providing these supplemental nonfood resources through United States and indigenous PVO's.

ICARA II/UNDP

The second International Conference on Assistance to Refugees in Africa [ICARA II], convened in June 1984 by the United Nations, represented the first step in an ongoing process by which refugee aid would be integrated into host country development. In line with this new approach to refugee assistance, the Conference mandated the United Nations Development Program [UNDP] to provide development assistance programs for refugees in Africa and to serve as a clearinghouse for the coordination and formulation of projects designed to meet the needs of African refugees. As a result of the Conference a portfolio of 163 projects at a total cost of $429 million has been developed for 19 African countries. These projects were designed by a U.S. technical team in conjunction with other U.N. agencies and host governments.

The UNDP has indicated that a number of these ICARA II projects are ready for implementation. To date, donor nations have provided only $60 million although interest has been expressed in another $110 million in projects. To raise funds for these projects, Mr. Bradford Morse, the Coordinator for Emergency Assistance to Africa, appointed by the Secretary of the United Nations, established the ICARA II Trust Fund.

While the committee supports projects recommended by ICARA II as a means of addressing a necessary dimension of the refugee crisis, it also allows flexibility to meet unanticipated needs by not earmarking the specific level of funding.

DEPARTMENT OF DEFENSE ASSISTANCE

In marking up the substitute bill, the committee approved an amendment by Senator Boschwitz to facilitiate meeting emergency humanitarian needs through the use of U.S. military personnel and equipment.

The amendment does not expand existing authority to use military services but limits the Defense Department's charges to only the actual incremental costs, such as fuel. In this way, the amendment would reduce the costs of tapping a potentially useful resource of skilled personnel and specialized equipment to help pre-

vent the future loss of life and continued medical problems in the drought-stricken areas of Africa.

Depreciation or amortization charges for aircraft or salaries for the military personnel could no longer be charged to the State Department or Agency for International Development accounts. Senator Boschwitz noted this would lower the charges for using Defense Department equipment and thus make it easier to provide the type of assistance which the military in many instances is well-equipped to provide on an emergency basis, for example, medical services, construction of water facilities in refugee camps, and aircraft capable of carrying emergency supplies to rough landing strips in remote areas.

It is the committee's intention in approving the amendment that the military personnel and equipment are to be used for humanitarian purposes only. Requests for Defense Department participation would be made by the Secretary of State or the Administrator of the Agency for International Development. Agreements on the use of the personnel and equipment would first have to be worked out with the host country. Administration officials have indicated preliminary discussions already have been underway with several countries in Africa.

Several Senators expressed concern that the activities might be perceived as other than humanitarian. Senator Mathias proposed a perfecting amendment requiring that the report in section 5 contain a detailed description of the equipment, cargo, and resources used by the Defense Department. The amendment was agreed to by the committee.

WAIVER OF PROHIBITIONS AGAINST ASSISTANCE (BROOKE-HICKENLOOPER AMENDMENTS)

Ethiopia presents a special problem where U.S. development assistance is concerned. The Agency for International Development [AID] is statutorily prohibited from providing long-term development assistance pursuant to the Brooke and Hickenlooper amendments which are provisions of the Foreign Assistance Appropriations and Authorization Acts respectively.

The Brooke amendment, section 518 of the Foreign Assistance Appropriations Act as contained in the fiscal year 1985 continuing resolution, provides that no funds may be obligated for any country in default of any loan made from funds appropriated through foreign assistance appropriations. Thus, although development assistance is prohibited, Public Law 480 food aid is not. Disaster assistance, as provided in section 491 of the foreign assistance authorization, contains a waiver of the Brooke amendment prohibition. Currently AID estimates that Ethiopia is $4 to $6 million in loan repayment arrears to the United States.

The Hickenlooper amendment, section 620(e) of the Foreign Assistance Act, requires the suspension of foreign aid to any country which expropriates the property of U.S. citizens and corporations and fails to take appropriate steps to compensate for such expropriations. This provision of law has only been invoked twice since its adoption in 1962: in Ceylon in the early 1960's and in Ethiopia in 1979. Approximately $15 to $20 million worth of U.S.-owned

property was seized without compensation in Ethiopia in the 1976–77 period. Although legal opinions have deemed both Public Law 480 and disaster assistance to be exempted from the Hickenlooper prohibition, the committee has included a specific waiver of 620(e)(1) in order to assure the most expeditious handling of any assistance provided to Ethiopia.

SECTION-BY-SECTION ANALYSIS

I. Introduction

The proposed African Famine Relief and Recovery Act of 1985 amends the Foreign Assistance Act of 1961 by creating a new section which authorizes appropriations to provide relief, rehabilitation, and recovery assistance to the countries in Africa most heavily affected by the drought. The bill also authorizes additional funding for the Department of State for migration and refugee assistance for relief and recovery efforts as well as for projects proposed under the United Nations-sponsored second International Conference on Assistance to Refugees in Africa [ICARA II]. The total sum authorized under these two sections is $175 million. The bill also authorizes the Department of Defense to participate in relief efforts in Africa with reimbursement based on incremental cost recovery. Finally, the bill requires that the President report on implementation of the act no later than September 1985.

The bill is composed of five sections. Section 1 provides the short title. Section 2 authorizes new disaster assistance. Section 3 authorizes additional funding for migration and refugee assistance. Section 4 authorizes the Department of Defense to participate in African relief efforts. Section 5 provides general authorities and includes a reporting requirement.

II. Provisions of the Bill

Section 1. Short title.—This section provides that the bill may be cited as the "African Famine Relief and Recovery Act of 1985."

Section 2. International disaster assistance.—This section amends chapter 9, "International Disaster Assistance," of part I of the Foreign Assistance Act of 1961 to create a new section 495K entitled "African Famine Assistance."

Such assistance shall include a wide range of relief, rehabilitation and recovery projects with specific direction to meet emergency health needs. The section directs that private and voluntary organizations and international organizations be utilized to the maximum extent practicable to carry out grant assistance projects under this authority. It permits the Administrator of the Agency for International Development to allocate as much as 18 percent of the assistance for emergency health projects. The Administrator may also transfer as much as $2,500,000 of the funds provided to the operating expenses account of the Agency for International Development for planning, monitoring and supervision of emergency assistance to African countries provided by this act. In addition, the Administrator may use these funds to manage any supplemental food supplies provided under Public Law 480 or any other law. The section authorizes $137,500,000 to provide emergency assistance and specifically requires that this new category of African dis-

aster assistance operate in accordance with the overall policies and authorities of the international disaster assistance authorization.

Section 3. Migration and refugee assistance.—In addition to the amounts already available, section 3 authorizes an additional amount of $37,500,000 to be provided to the Department of State for Migration and Refugee Assistance. As much as 54 percent of this additional funding may be provided to the United Nations Development Program Trust Fund for projects proposed by the second International Conference on Assistance to Refugees in Africa [ICARA II]. The balance of the funds shall be used for emergency relief and recovery projects in Africa of the Bureau for Refugees Program of the Department of State.

Section 4. Department of Defense assistance.—This section provides authority for the Department of Defense to participate in the U.S. relief effort in Africa with reimbursement to be provided from relief funding. Such reimbursement is to be based only upon the incremental costs rather than upon the full costs associated with full recovery of salaries and allowances, equipment, and depreciation costs.

Section 5. General provisions.—The final section of the bill limits assistance under this new emergency disaster authority to the countries in Africa which have been most severely affected by drought and other calamities in calendar years 1984 and 1985. The section also waives section 620(e)(1) of the Foreign Assistance Act (the Hickenlooper amendment) which would prohibit assistance to any country that has expropriated American-owned property. Finally, the section requires a detailed report by September 30, 1985, as to the implementation of the emergency disaster assistance authorized by this act.

CHANGES IN EXISTING LAW

This bill makes no changes in existing law.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 457.

2. Bill title: Emergency African Famine Relief and Recovery Act of 1985.

3. Bill status: As ordered reported by the Senate Committee on Foreign Relations on February 21, 1985.

4. Bill purpose: The bill authorizes the appropriation of $137.5 million for famine relief, rehabilitation, and recovery in Africa and an additional $37.5 million for migration and refugee assistance.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1985	1986	1987	1988	1989
Authorization amount	175	0	0	0	0
Estimated outlays	18	104	41	4	(1)

[1] Less than $500,000,000.

Costs for this bill fall within budget function 150.

Basis for estimate: This estimate assumes enactment of this legislation by March 31, 1985, and the appropriation of $175 million in an emergency supplemental. Outlays were estimated using the historical disbursement pattern of the similar program of African Sahel famine and disaster relief assistance of 1974.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous cost estimate: Costs of this legislation are the same as H.R. 1096, as ordered reported by the House Committee on Foreign Affairs on February 19, 1985.

9. Estimate prepared by: Joseph C. Whitehill and Lisa R. Brown.

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

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